



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Government Operations and Estimates

OGGO • NUMBER 061 • 1st SESSION • 41st PARLIAMENT

EVIDENCE

Thursday, November 1, 2012

—
Chair

Mr. Pat Martin

Standing Committee on Government Operations and Estimates

Thursday, November 1, 2012

• (0850)

[English]

The Chair (Mr. Pat Martin (Winnipeg Centre, NDP)): Good morning, ladies and gentlemen. Welcome to the meeting of the Standing Committee on Government Operations and Estimates.

Thank you to our witnesses for being here today to help us in our deliberations over public-private partnerships.

We're very pleased today to be joined by Professor Ian Lee from the University of Carleton, who I believe is en route. We have with us Johanne Mullen, the president of the Institute for Public-Private Partnerships, and Roger Légaré, the managing director.

Welcome. Thank you for being here.

We're very pleased to welcome Mr. George Theodoropoulos, the managing director of Fengate Capital Management Inc., by video conference.

Thank you, sir, for being with us here today. Can you hear me well?

Mr. George Theodoropoulos (Managing Director Infrastructure, Fengate Capital Management Ltd.): Yes, very well, thank you.

The Chair: Very good, George. Thank you very much.

I think we'll begin with Ms. Mullen because she has to leave at roughly 10 o'clock or so.

If you could give us a presentation of five to ten minutes, Ms. Mullen, we'll go through the process from there.

Ms. Johanne Mullen (President, Institut pour le partenariat public-privé): Thank you.

I would invite my colleague, Roger Légaré, who is the managing director of our institute, to perhaps just say a few words of introduction in terms of our association and our mission, and then I'll chime in with my presentation right afterwards.

The Chair: Very good, thank you.

[Translation]

Mr. Roger Légaré (Managing Director, Institut pour le partenariat public-privé): Mr. Chair, members of the Standing Committee on Government Operations and Estimates, the Institut pour le partenariat public-privé is pleased to be taking part in the committee's hearings on public-private partnerships. With your permission, I will briefly present the institute and the role it plays in Quebec.

The Institut pour le partenariat public-privé is an independent non-profit organization that was founded 17 years ago and promotes dialogue on public-private partnerships. The institute's objectives are to increase awareness of and to spread information about public-private partnerships. For example, we strive to monitor the major Canadian and global trends in infrastructure development, the delivery of public services and the emergence of new organizational models.

The institute organizes multisectoral forums for discussion, analysis and comparison of various methods for carrying out projects in all phases: design, implementation process, organization and financing. A few weeks ago, for example, we held a major forum on public-private partnerships. We discussed the construction of the new bridge over the St. Lawrence as a P3 project, particularly from the standpoint of the development and integration of public transit for the greater Montreal area.

The institute has no dogmatic position on P3s. We believe that the option of carrying out a project through a public-private partnership must be subject to a normal project feasibility analysis process based on genuine risk-sharing between public and private partners. In that sense, the privatization of public services is not at all a form of public-private partnership.

In fact, the P3 option should be selected only if it represents genuine added value that can simultaneously enhance the accessibility, quality and continuity of service to citizens, make public services more efficient and ensure maximum transparency and integrity in the process used. In our view, a public-private partnership must be a winning solution for the public and private partners, the public and the users of those services.

Our modern societies, regardless of their level, are dealing with complex issues, the most significant of which is of course guaranteeing their citizens that the supply of high quality public services can be developed and maintained. A public-private partnership is neither a miracle cure nor a panacea. However, it can be a powerful tool in improving and optimizing public services if it is properly used in accordance with strict rules of transparency.

Coming back to the purpose of this committee's proceedings, we hope to draw your attention to the fact that public-private partnerships should be viewed as a collective good, that is to say as a development instrument in the service of national, provincial and local communities that may be advantageous to use, depending on the situation, to carry out infrastructure and service delivery projects, for example.

In Quebec in recent years, many major P3 projects have been, or are about to be, successfully delivered. For example, the Highway A-25 bridge linking east Montreal to the city of Laval was opened in the spring of 2011. There were no cost overruns and the bridge went into service on schedule. The same is true of the Orchestre symphonique de Montréal's new concert hall, which opened for its first concerts one year ago. In a few weeks, Highway 30 and the bridge over the St. Lawrence Seaway will be opened to traffic, in accordance with the project's work schedule, thus helping to relieve traffic congestion around Montreal Island. These are major projects for our community.

Other, smaller public-private partnerships have also been carried out with the same degree of success, including multi-purpose complexes in Lévis, south of Quebec City, rest stops on various highways and a long-term care centre in Saint-Lambert, in Montérégie. These projects are as vitally important for the residents of those communities as the mega-hospitals under construction in the Montreal area, such as McGill University's CUSM, CHUM and the CHUM Research Centre, all of which, with a single exception, are on schedule. That project is being reviewed in response to new demands made by the public partner in accordance with established budgets.

Based on our information, some 40 other projects that could be carried out through P3s are currently being evaluated in Quebec City. Many of them require federal government contributions in order to be implemented. As we told you earlier, every project must be considered on its merits. Some projects clearly will not meet P3 requirements, whereas P3 will be a definite advantage for others. That is also true of the conventional project implementation method.

Public-private partnerships are relatively new in North America. People have been talking about them for about 15 years. Some Canadian provinces go the P3 route more than others. That is the case of Ontario and British Columbia, for example. In Quebec, strong resistance to P3s emerged in the mid-2000s, fuelled essentially by union organizations fearing potential job losses. Those fears have not been realized.

Popular support for public-private partnerships exceeds 60%, even 70%, in certain sectors such as highway infrastructure, for example. Tens of thousands of motorists who take the new Highway 25 bridge, thus cutting 45 minutes to an hour off their driving time, would readily say that, without a P3, there would be no bridge. The arguments against it are well known: higher borrowing costs for the private sector, loss of project control by the public and the idea that P3 processes are much longer, complex and more costly than conventional processes.

However, the evidence allays those fears. In Quebec, as is the case elsewhere in Canada and in many countries around the world, deadlines are very firm: projects are delivered on time and on budget, with no extras; implementation methods are managed jointly by all public and private partners in a completely transparent manner; and guarantees are given that infrastructure will be maintained, service will continue over a long period of time, and infrastructure and service management will revert to the public sector upon expiry of the partnership agreement, and will do so in the best condition possible.

The Institut pour le partenariat public-privé strongly believes that public-private partnerships are one way to ensure process integrity in the design, awarding, implementation and management of infrastructure projects. Across Quebec and Canada, governments and a large number of municipalities must modernize or rebuild their infrastructure. These are major challenges for all communities. Public-private partnerships are a tool with which to meet them.

Thank you very much, Mr. Chair.

• (0855)

[English]

The Chair: Thank you very much, Mr. Légaré.

Do you have anything to add, Ms. Mullen? You have one or two minutes left in the time set aside for the institute.

Ms. Johanne Mullen: Yes, if I may. Thank you.

There was a rather timely article in the Quebec press yesterday—I'm not sure if any of you had a chance to take a look at it—about some of the experiences that we are having on infrastructure projects. The statement was that we are seeing cost overruns in the order of 80% on some of our capital projects; it talked specifically about a road project that is under way currently, in conventional mode. Half of it has been built, we're already two times over the budget announced, and we have another 50% of the project to complete.

I wanted to talk a bit about this because I've had a chance to take a look at some of the testimony over the last few weeks. We've talked a lot about the risk transfer that comes with P3s. No one wants to be involved in a project that has two times, three times, or four times the cost overruns. It's not a question of incompetence; it's a question of having the right drivers and the right controls in place to try to mitigate those risks.

One of the dynamics that P3 brings is that it imposes a rigour around the planning process. Regardless of why governments announce projects before they have the right costing, the right planning, P3 is a very effective means of focusing attention on defining the requirement. Here's what I mean by that. Because in a P3 we are going to be asking people like Fengate and their partners to provide firm, fixed price commitments on projects, we need to be very clear about what we need. We need to think about how we are going to use the asset, what type of asset we need, and who will be using the asset, and we need to think about these things over a 30-year period.

This means that before we go into the market we must have done all that planning. One of the most powerful mitigators in controlling risks of cost overruns and delays is the discipline it imposes on planning. Now, one could argue that one could impose this type of rigour without doing a P3, but a P3, it turns out, is a very effective way of doing it.

I'd like to also take two minutes to talk a little bit about life cycle. I know that it has been addressed by other witnesses to the committee. Clearly, P3s bring with them a 30-year commitment in terms of maintenance and life cycle, but the other part of the dynamic is that, as we are witnessing...you have seen the infrastructure deficit estimates for the municipalities. That's true for all public infrastructure. It is one of things that we have not done very well: committing dollars to maintenance and life cycle for public assets. The reason is, dollars are limited.

These are the problems you're facing today. When we're faced with a decision today on where we spend those dollars, it's a lot easier to divert away from maintenance and deal with today's pressing problems. It's completely understandable. The reality, though, is that it comes with a cost, and a very significant cost, because what we are seeing is that it's not just a question of putting in a few extra dollars to catch up: we're having to completely rebuild assets that should have lasted another 20, 30, or 40 years.

So on the one hand, we get the advantage of pay for performance. Your private sector sponsors, your private partners, make a commitment to maintain adequately, to the standards you set as the public sector, and if they don't do that, there are financial consequences. The flip side of it is that, as the public sector, you are contractually committed to putting in the right number of dollars for maintenance and life cycle so that at the end of 30 years you're not rebuilding the assets. You are getting them back to you in a condition that is acceptable.

I know that my time is up, but I will say those are the two most compelling arguments. It means, though, that you need to be prepared to do P3s because there is this level of thinking, planning, and reflecting on the use of the asset and how it will be used over 30 years. It means that this will bring change within the federal public service. People will have to think about their roles as asset managers and developers in a different way.

Thank you very much.

● (0900)

The Chair: Thank you very much, Ms. Mullen. That's very good.

I think we're going to go now by video conference to our friend who is waiting in Toronto: Mr. George Theodoropoulos, managing director for infrastructure, Fengate Capital Management Ltd.

Mr. Theodoropoulos, are you prepared to make a five- or ten-minute statement?

Mr. George Theodoropoulos: Yes. Thank you very much, Mr. Chairman.

I'm just going to briefly introduce myself and our organization so you can get some perspective on where we fit into the PPP sector.

We're a private money manager. We manage money on behalf of Canadian pension plans. Our clients include several universities; these are the pension funds of the universities. This also includes corporate pension funds, Canadian corporate pension funds. A significant client base is also that of construction unions; trade union funds such as the Labourers' Pension Fund or the Operating Engineers' Pension Plan. These are the individuals who actually work on these projects as construction workers.

I've been in the sector for approximately 15 years. I've seen the sector grow in Canada, specifically at the provincial level, from the first transactions that were done in Ontario and British Columbia. We are concessionaires, in that we invest pension plan money in the form of equity capital in these projects on the strength of the concession agreements executed with municipal, provincial, and federal governments.

I personally am a practitioner as a transaction professional, meaning that I get involved when government is procuring the project. When they've decided to go ahead with a P3 and they at that point put out a request for qualification and a request for proposal, I'm involved in organizing consortiums to bid on the projects, put in a proposal, and then ultimately, if we are successful, execute on that proposal, develop the infrastructure, and operate the infrastructure over the concession term.

That is my perspective. I'm not really involved in consulting with government as to whether to do a P3 or not to do a P3. I get involved once government has decided to go down that path.

I can give you my views on P3s and why I think they're beneficial. Obviously, I'm a supporter of the sector. I make my living from P3s, but also, as a stakeholder in Canada, etc., I actually do believe in the value of P3s.

I think I'm going to echo some of Ms. Mullen's comments. Basically, this is a philosophy of procuring complicated.... By the way, for P3 around the world, whether it's with governments such as those of the U.K. or the EU, less than 10% of the actual infrastructure spend of government is done via P3s, okay? It's a tool that's used in very discrete circumstances, and primarily in respect of new infrastructure—complicated, large infrastructure. It can be used for roads, hospitals, prisons, courthouses, or an information technology project.

By the way, we have 14 investments in Canada in all of those sectors. We have a prison investment, a road investment, a courthouse investment, and several hospital investments, primarily with provincial governments. These are our clients, ultimately—the provincial governments.

There are several reasons to do a P3. One is that government describes the service that it requires, effectively, as opposed to describing the exact specifications of the infrastructure. Government describes the output. That allows for a tremendous amount of design innovation from the private sector, meaning how best to design the piece of infrastructure to provide that specified service, as opposed to having a very descriptive approach to the specific infrastructure.

•(0905)

Again, that allows for design innovation. As you design the asset, you are designing it with the maintenance of the asset in mind over the long term, because P3 integrates design, construction, and maintenance under one service. So whoever is designing and building the asset has the operator beside him, describing how he is building it and how he is designing it, because that operator—this is the private sector operator—has to take on asset on after construction and live with it for 30 years. That's another important aspect of P3 that's beneficial.

The other part of P3 is that there's cost certainty over 30 years for government, meaning that government is buying a 30-year service, as opposed to, "Thank you for the design and construction," and then having government take on the asset. It's really helpful in a four-year election cycle. We always talk about the challenges of government in long-term strategic planning. When the election cycle is only four years, it really takes away.... It really allows for government to set certain pieces of infrastructure down the path for a 30-year period. This is where—Ms. Mullen talked about it—government receives the asset back in a high-quality condition at the end of 30 years.

Now, there's a price for that, and there's a cost for that. What the actual cost does is remove some flexibility from government in costing—really, in reducing costs—because they've basically entered into a 30-year commitment. These are the trade-offs. You enter into a 30-year commitment. You have cost certainty that the asset is going to behave and it's going to come back to government in a certain condition, but at the same time, you've ventured into a contract for 30 years, with little flexibility as to whether you want to pull back capital or money from that contract. You have an obligation to pay for that asset over 30 years. Those are the benefits, and I've described some of the costs.

Ultimately, it's a philosophy of procurement on certain projects where the government wants to be a builder and operator of assets as opposed to a manager of contracts and assets. Governments struggle with these issues day in and day out.

By the way, never, ever, take the argument that it's a form of privatization; it's never a form of privatization. We operate and own.... No, I shouldn't say that we "own"; we operate a number of prisons, hospitals, and courthouses across Canada. We don't own those assets. Those assets are owned by government. We have the privilege, under a license agreement, to step in, build, and operate those assets on behalf of government. Government can decide to terminate us at any time and take the asset back.

Those are my initial comments.

•(0910)

The Chair: Thank you very much for sharing that point of view. We appreciate it.

Now we're joined by Professor Ian Lee from the Sprott School of Business at Carleton University.

Welcome, Professor Lee.

Professor Ian Lee (Director, Master of Business Administration (MBA) Program, Sprott School of Business, Carleton University, As an Individual): Thank you for inviting me. I

apologize for being late. I was at Centre Block. I thought the meeting was in Room 237 at Centre Block.

Before I go into my slides, I want to give you a quick preamble. I'm a former mortgage manager and lender for the Bank of Montreal. In the 1970s and 1980s, in fact, I worked in the building under construction right next door to this building. I believe it's going to become the home of the finance committee.

I'm a tenured professor at Carleton University in the business school.

I have a couple of quick disclosures. I do not consult to any person or entity of any kind, anywhere, directly or indirectly. One hundred per cent of my income is from Carleton. In summary, my views here have not been influenced by someone else's self-interest.

Finally, I will disclose that I was involved as one of the founding activists in an Ottawa NGO called Friends of Lansdowne park. We vigorously opposed the City of Ottawa in the \$400-million redevelopment P3. We actually sued the City of Ottawa, lost, then appealed to the Court of Appeal, and then lost again. Then we stopped. You may think that—

Voices: Oh, oh!

Prof. Ian Lee: I do believe that Lansdowne park is the poster child for a failed—completely failed—P3. Now, you may think that I've come here, then, to tell you how bad P3s are; however, that is not why I'm here.

Notwithstanding this appalling failure, I will argue that this failed P3 was due to poor decision-making by elected officials, and that does not invalidate P3s. Paradoxically, I will argue today that this failure validates my central or core thesis today: why P3s are an important tool in government procurement.

I'm going to jump to my slides now. I've already done the first disclosure. It has been said.... I have read the testimony of the witnesses who've appeared before your committee previously, so I'm aware of the debates you've been having. This is really just repetitive, but there's about \$400 billion of present and deferred infrastructure in Canada, federally, provincially, and municipally.

I'm going to argue that the P3 is yet another tool to address this deficit of infrastructure, which I do think is a very serious problem in our country, both at the national level and right down to the micro level. For example, in the city of Ottawa, we have sewer mains that are over 100 years old and we're dumping raw sewage into the city of Ottawa.

I'm going to argue that P3s, in my view, really only apply to what I call capital-intensive, long-term physical assets called infrastructure. I do not believe they apply to all procurement. I think P3s really only apply to what I call single-purpose infrastructure: bridges, roads, airports, ports, and buildings. I'm staying away from prisons and university buildings simply because I haven't done any real study in those areas. A P3 can be a very important tool. So we're talking about 10% to 15%—and possibly up to 20%, depending on how you measure it—of all the procurement in Canada.

Just very quickly, I'll say that I rely much more extensively on the peer-reviewed literature. There is a very significant and burgeoning, peer-reviewed literature. Vining and Boardman from UBC have published extensively in some of the peer-reviewed journals, as has the World Bank. I'm really synthesizing quite a bit of this.

This has been implicit in the conversations that you've been having over the last two or three weeks, but there's a continuum, I argue, of procurement. I don't think that P3s are mysterious or exotic. There's the traditional procurement that governments everywhere have been doing for a very long time, where the government in question negotiates with a developer, a construction firm, to build the long-term asset under contract. It could be a building. It could be the bridge to P.E.I. It could be Highway 407. The government, in that context, is really playing the general contractor, who is providing contract management and of course acquires ownership and maintenance immediately upon completion.

We're also very familiar with the second model. A lot of downtown Ottawa was built on this model by Robert Campeau. The Place de Ville building, where Transport Canada lives, for many years was a long-term lease. In other words, the Government of Canada, through Public Works and Government Services, leased it and simply paid rent as a tenant.

Those are really the two alternatives: you build and own it or you rent it on a long-term basis. It's not very profound, but that's really what's going on. P3s are, I argue, simply a hybrid between A and B. This is a model that is a hybrid between owning it from the get-go versus leasing.

● (0915)

In this instance, in the shorter term of the P3, the government is somewhat analogous to a commercial tenant, with the developer, the contractor—the P3 firm—responsible for the construction and the long-term maintenance of the asset. At the end of the P3 contract, government gives back the asset, if you will, and gives the title to the government.... Unlike being a tenant, where, after paying rent for 20 years, you sign another lease to pay rent for yet another 20 years, in this instance you actually get the asset at the end of the contract.

What is needed for a P3 to be a right-fit choice? You need good contracts, where the risks are well defined between the public and private sectors. It has to be clear, and that means a lot of due diligence up front, a lot of transaction costs. There have to be strong political leadership, public support, and sufficient private-sector capital.

What are the advantages? I realize that I'm contradicting the Conference Board of Canada and some others who say that the latest generation of P3s are on the government books, but there is research

showing that there are some countries and some governments where they're keeping P3s off the books, and that's one of the advantages. The second advantage is that the private sector is vastly more efficient at managing projects, in that they do not allow politics and the political process to interfere because their money is on the line. Third, the P3s provide long-term, stable financing, including maintenance.

Governments everywhere, at all levels—and this is no disrespect to any of the elected officials here—are notorious for deferring maintenance and allowing bridges and roads to decay. That's my central argument today. As Pogo said, we've met the enemy, and it is us.

I only have two or three slides left.

Quickly on the disadvantages, there are disadvantages. There are externalities. Sometimes it's difficult to evaluate the risk, so there can be failures, but that just calls for greater diligence at the beginning of the contract. Moreover, you have to do the due diligence on the private sector to ensure that it has the capacity and the expertise to operate the asset, not just build it.

In summary, the principal advantage is not lower prices. I think this is a bogus argument. It isn't necessarily lower prices, although research and evidence in the peer-reviewed journals say that some of the P3s did produce a lower price. What's more important is that P3 takes the politics out of procurement. It takes the politics out of property management.

Elected officials do procurement very badly. They do it badly because it's too easy to defer the maintenance in the face of short-term budget exigencies. The P3s mean preferred, professional procurement. A P3 provides stability of funding and stability of management; they have skin in the game, whereas for elected officials and bureaucrats, it's Canadian Tire money, not real money—you don't have skin in the game.

Again, that's not to put down elected officials. I have enormous respect for you and for public servants. My late father was a public servant for 40 years.

But that really is the central advantage of P3s: it removes the politics and then you can have professional property management, not only in the design and build, but also in the maintenance and operation of the asset over its lifetime.

Thank you.

The Chair: Thank you very much, Professor Lee. You've made very good use of eight minutes. That's excellent, as it leaves a lot of time for questions from all of the committee members.

I'll begin with the official opposition, the NDP, and Denis Blanchette.

[*Translation*]

Mr. Denis Blanchette (Louis-Hébert, NDP): Thank you, Mr. Chair. Thanks to all our guests for being here today.

Mr. Légaré, I very much enjoyed your presentation. I am thinking about what you said and also in what you did not say.

Both of us are from Quebec and we are very familiar with the controversy around this topic. As you know, the previous provincial government relied extensively on P3s but became more timid towards the end of its mandate. A P3 agency established by the previous government was abolished. Then there was the creation of Infrastructure Québec, which decided to view P3s as a tool like any other.

You cited examples of P3 achievements, such as highway rest stops. You forgot to say that a \$10 million lawsuit has been filed in that matter. You also did not say that parties had backed down from certain P3 projects, such as the Hôtel-Dieu de Québec project in 2009.

Ms. Mullen could answer my question. The evaluations that have been conducted always refer to a benefit that the implementation of a P3 project provides. People always compare the conventional model and the P3 method, obviously forgetting to say that there are also intermediate models.

I am more familiar with the Quebec public service, but I can say that there has been a loss of internal expertise. Consequently, the conventional method is becoming more costly. I would like to hear your opinion on the various elements involved in evaluating P3 projects. At what point do you, personally, and the Institut pour le partenariat public-privé say that this is not really a good project?

• (0920)

Ms. Johanne Mullen: I will answer you as a person who works in the sector. We at the institute obviously have a more general viewpoint. We promote P3s. However, as you say, we do not do so at all costs because the P3 model does not apply to all projects. So that is how I would answer you.

As for the process used in Quebec to evaluate implementation methods, I would like to confirm that our comparison is not limited to P3s as regards design, construction, financing, maintenance and repair. We also look at all the methods that may apply to a project in order to find the one that is appropriate.

My experience has led me to work on projects in which we concluded that the design, construction, financing, maintenance and repair method was not appropriate. In those cases, it was inappropriate because we could not use that method to generate value in the implementation component.

One example was a project to expand an existing building. The expansion was apparently not to be done by constructing a new building that would have been linked to the existing building by a

walkway. The plan was to integrate them floor by floor. If we had builder friends around the table, they would definitely be able to discuss the issue in greater detail.

So they would have had to open the building, construct the extension and integrate it floor by floor. The plan was also to expand the plant containing all the existing electromechanical equipment.

So the idea was to have a single plant that would have served the building as a whole. In the analysis, it was determined—

Mr. Denis Blanchette: Pardon me, but our time is limited. We will come back to that a little later.

Mr. Lee, I found your presentation interesting. Ultimately, you are saying that we are doing a poor job with these projects.

Could we agree that our problem in managing infrastructure is much more in the way we define a contract, the way we manage it and whether or not we interfere in it?

You feel those are the issues in government? Have I accurately summed up your thinking on this point?

[*English*]

Prof. Ian Lee: Not exactly: I'm arguing that the political interests of members of Parliament, who are of course elected to represent their constituencies—their citizens, their voters—may express views that contradict the professionals.

There are a lot of people, as we all know, who don't have a deep professional understanding, whether it be economics.... I'm excepting somebody like a Dr. McCallum; a lot of people don't understand economics. A lot of people are not engineers. I'm not a professional engineer. Yet the political process can impose demands on you, the member of Parliament, and that in turn feeds into the process. That's at the front end.

Then on the back end, I'm talking about the maintenance of the program. Governments defer maintenance all the time because it's invisible. People don't see the money that's being transferred from maintenance into some other project. When I was testifying before the City of Ottawa on this, I said that elected officials like shiny new objects. Maintenance is very boring. Replacing sewers and that sort of thing is not very sexy. We have \$300 million of deferred maintenance on sewers in this city. That was a collective decision made over time, year after year, to defer maintenance. It's not because you're bad people or immoral people; it's simply because that's the nature of the political process.

• (0925)

The Chair: Thank you, Mr. Blanchette.

Mr. Lee, thank you.

Next, on the government side, the first question is from Costas Menegakis.

You have five minutes, Costas.

Mr. Costas Menegakis (Richmond Hill, CPC): Thank you, Mr. Chair.

A big thank you to our witnesses for appearing before us today. I have certainly found your testimonies very, very interesting.

Mr. Theodoropoulos, welcome, sir. I have a few questions for you.

Can you hear me?

Mr. George Theodoropoulos: Yes, I can.

Thank you.

Mr. Costas Menegakis: Can you talk to us a bit about the Toronto South Detention Centre and why it made sense for that project to use a P3 contract over 30 years, over the term of the contract?

Mr. George Theodoropoulos: The Toronto South Detention Centre is a provincially sponsored interment facility. It's one of the largest in Canada. It holds 2,000 individuals. The Government of Ontario, at that point, decided to procure this facility through a PPP concession agreement that allowed the private sector to design the facility the way it felt would be most efficient for providing the services the province was seeking. It allowed the private sector to build the facility after the design, to finance the facility, and to maintain the facility for a period of 30 years. The maintenance firm and the contractor were at the table as the facility was designed and built with maintenance in mind.

The capital involved—the debt and equity, the private sector money used to actually pay the contractor and pay the designer—is at risk if the facility doesn't behave a certain way. Remember: the government is purchasing a service. The service is to provide a place for 2,000 individuals, house them, feed them, secure them, and so on.

The capital is simply there to facilitate risk allocation to the partners within the team that can best manage the risk. That means that the construction risk is pushed down to the contractor. The maintenance risk is pushed down to the operator. Because we have capital at risk, we are watching the contractor, the designer, and the maintenance firm that maintains the building to make sure that they're doing what they're supposed to do. This way, the government gets the service it contracted for.

It made sense for the government, ultimately. The government felt that it would get more value for money by doing it through a service contract of a PPP type than it would if it actually had to procure the facility through a separate construction contract and then take over the facility and maintain the facility itself.

They did an evaluation. It showed that if we did it, this is what we would spend. If we maintained it, this is what we would spend. They risk-adjusted those numbers. You have to appreciate that they added risk, because when the government builds, it doesn't always build on time. When government maintains, it doesn't always maintain on budget, either. They did that evaluation and found that the PPP process provided value for money. It was less expensive and it gave them the service they were contracting for.

• (0930)

Mr. Costas Menegakis: I have another question.

Mr. George Theodoropoulos: This is all on the public record. You can go to the Ontario government. They can show you the analysis. This is the type of analysis that's available.

Mr. Costas Menegakis: One of the next studies we're going to be doing here in our committee is a study on energy efficiency in government buildings. Can you discuss the PPP model in the energy

sector? I was very interested to hear that there are 14 projects, as I think you said, covering a number of different sectors. Can you discuss the PPP model application there, specifically with regard to the energy sector?

Mr. George Theodoropoulos: Currently we are following a project in Ottawa where, for the energy systems that provide energy services to a number of federal buildings in Ottawa, the government is now considering whether it wants to use a PPP model to basically update and seek services from these assets for a long period of time. In the energy services model, one approach is that government will define the energy services it's seeking. This is the efficiency.

Government obviously has a mandate to seek more efficient ways to procure energy, and in a more environmentally responsible manner, so it will define the actual energy services it needs. Government will say, "We need this coolant load, this heating load, for our buildings, and we expect the private sector to provide it at this level of efficiency"—meaning that this is how much fuel you will use to provide this unit of energy.

Government can simply put out a contract stating this is the energy load it needs, this is the efficiency that it expects, and it expects the private sector to provide that energy load and efficiency for a 30-year period. As for how the private sector does that—what it builds and what it doesn't build—that's the private sector's scope. It ultimately has to deliver energy, and it has to deliver energy at a certain efficiency.

I'm simplifying things, but in effect this is it. You allow the private sector to compete. You have several groups that could qualify. The government will qualify companies that have the credentials for this type of procurement and will allow the private sector to innovate and provide that service at the most efficient cost to government.

The alternative is that government figures it out itself with engineers, etc., tries to procure on its own, manages the energy system on its own, and hopes that things go as planned, as opposed to having a contract with real teeth in it, stating that "you didn't produce the energy at a certain efficiency, so here are the penalties involved". Once you introduce penalties, you have capital at risk.

The Chair: Thank you, Mr. Theodoropoulos. We'll have to go into that. Maybe we'll ask you back when we start our next study on the energy efficiency of our public buildings.

Thank you, sir.

Next, for the NDP, Mr. Jean-François Larose.

[*Translation*]

Mr. Jean-François Larose (Repentigny, NDP): Thank you, Mr. Chair.

I would like to clarify one point with the witnesses. We are not at all opposed to P3s. On the contrary, we are trying to study all possible options.

However, I do not like it when most of the witnesses who come here and talk about P3s tend to embellish everything and, as Mr. Lee said a little earlier, to project a bright shiny image. That irritates me because it really makes no sense.

P3s are not applicable to everything. Mr. Légaré, earlier you mentioned certain projects, such as the Highway 25 project, that are not successes and that were poorly planned.

This is our last day on P3s. What often comes to my mind in hearing all the witnesses is that there are incongruities and paradoxes. I hear comments that are questionable. Mismanagement is attributed to the government. They say, in short, that it is irresponsible in the way it does things and that those responsibilities should be transferred to the private sector. However, at the same time, we also have the Charbonneau commission, which is shedding light on the intentions of private companies with conventional contracts. So we have some serious questions.

Before moving on to the rest of the topics, my first question concerns your NPO. I find this interesting. Why did you choose to establish an NPO and not a private company?

Ms. Johanne Mullen: Our organization is in fact really an association, somewhat like the Canadian Council for Public-Private Partnerships, whose representatives were here two or three weeks ago. We do not provide any services. We simply form an association that brings together public and private sector stakeholders who have an interest in P3s.

• (0935)

Mr. Jean-François Larose: So you are a salaried employee.

Ms. Johanne Mullen: I have a job. Mr. Légaré is on salary, but I am a volunteer.

Mr. Jean-François Larose: I find it interesting to look outside the box, to look at P3s as an option, to see what is applicable and what is not. With regard to project management, maintenance and everything that may be applicable—I am not talking about large construction equipment—have you considered the option of calling upon cooperatives or NPOs?

Mr. Roger Légaré: Look at what is going on in Lévis, for example. It is the tenth largest city in Quebec and it was unable to provide certain public services to its population, such as a congress centre, figure skating centre and soccer fields. It had to respond quickly to those types of demands for public services. The city turned to NPOs to get the best possible return and without making major investments. It was thus able to act more quickly and opted for a public-private partnership project. It was not a traditional or conventional project. It took into consideration the fact that it wanted assurances that there would be competition, that it would be able to deliver the goods and that there would be the best possible return for the municipality.

Moreover, Mr. Meurant came and made a presentation that addressed that aspect. He did that with the mayor, Ms. Marinelli. They are extremely satisfied with the results.

Mr. Jean-François Larose: I am pleased to hear you say it. It is even reassuring because we often hear that conventional P3s, in many countries and even back home in Quebec, result in the same

problem, a lack of success as a result of poor applications and poor management.

My next question is for Mr. Lee.

A little earlier, you talked about the motivation of elected people. I completely understood. However, I believe that the purpose of government is to be accountable and not to do the contrary. Unfortunately, I see that, with P3s, problems are put off until later. What is good planning? Will we see that there has been good planning 30 years from now? That is the question. We always wind up in various holes. We talk about taking risks, but, strangely, every time a P3 seems to fail, we wind up with the bill, the problems and the management.

I had the honour to go to Mexico, where I travelled on a highway that had been built as part of a P3 project. However, after making proper enquiries, I ultimately discovered that it was not a P3 project. The highway had been built by the private sector, which had paid the highway's costs from A to Z. The government has the authority to buy it back toward the end of the agreement. Consequently, 30 years from now, the government may or may not buy the highway back. So there are other methods that are just as promising.

The problem with P3s is that we always wind up in a situation somewhat like that of the Highway 25 bridge, with a kind of hidden tax. In fact, the costs were initially to be half of what it ultimately cost. The project was delivered on time. There is also the fact that rates were supposed to be low and that there would be little use. Planning was very poor because, with the two junctions, people do not end up in the municipality, but rather head off on two highways. They leave on Highway 40 and take Highway 25 to Highway 440. People are realizing that the planning was very poor because the highway was not modified based on the number of vehicles travelling on it. The more vehicles travel on it, the more the rate will increase. It is a big success; it is incredible.

Taxpayers will wind up having to pay \$500 million for the bridge, which is much more expensive than planned. They will wind up with constantly rising rates, about which the public will have no say because the elected people are accountable.

Do you believe that letting the government off the hook would be one way—this is paradoxical—of increasing its ability to plan for future P3 projects?

[English]

The Chair: Could we have a very brief answer, please? We're well over the time allocated.

[Translation]

Ms. Johanne Mullen: To whom are you putting that question?

Mr. Jean-François Larose: To someone who wants to answer it.

Mr. Roger Légaré: I do not believe we are here to absolve governments of any liability or to take on the planners' responsibility for all P3 projects, but rather to make sure that different tools are at legislators' disposal for the purpose of providing services to the public.

There is no monopoly on knowledge. I do not believe that singling out someone as being responsible for good or bad planning would add anything to the debate. Last year, we toured the 10 largest cities in Quebec and realized that there were enormous needs, a significant lack of liquidity and an obligation to work jointly to improve the situation for users.

I believe the institute works more on those issues. We are not dogmatic. We want to add an accountability tool to the toolbox and to ensure that there are ultimately no major cost variances, as you can currently see. These are surprises that have occurred because a number of people along the way said that they had bought a suit but that it didn't have a tie, belt or suspenders. We launched the project and failed to realize that there were other options that we should look at.

So I think that is why we recommend that all these risk analyses should be conducted before starting a project.

• (0940)

[English]

The Chair: I'm afraid, sir, that I'm going to have to interrupt you.

Never mind cost overruns: we're having time overruns here.

Voices: Oh, oh!

The Chair: I'm going to have to ask for the next questioner, Mr. Jacques Gourde. Perhaps he can continue in the same vein.

Thank you.

[Translation]

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Thank you, Mr. Chair.

My question is for Mr. Légaré.

I am pleased that you mentioned the success of the city of Lévis. My riding includes half of Lévis, all of Lotbinière and part of Beauce-Nord.

P3s are a success in Lévis. These partnerships mainly enable people to engage in these great projects. These are NPOs administered by volunteers. These people really add value to the projects as a whole, not to mention the maintenance and services they provide to the public. Through their commitment, people ensure that these multi-purpose centres operate at full capacity.

In many cases, these are people who directed sports organizations that had needs. These people also invest themselves in their infrastructure. They deserve a tip of the hat from us. This phenomenon has been around in my riding for more than 20 years. Some small municipalities of 1,000 inhabitants developed these kinds of partnerships in the 1990s. I can tell you that because I sat on those boards. Some municipalities built themselves very high-quality multi-purpose centres at very low cost.

Could more municipalities benefit from this kind of partnership through projects of \$10 million or less? P3s are often talked about in connection with major projects, but I believe we have neglected to promote small projects.

Mr. Roger Légaré: From the outset, I would say yes. That is one of the reasons why, in our October 18 forum, we focused the debate more on the needs of small communities, regional municipalities, and smaller-scale projects, those of \$10 million or less, which did not involve all the costly terms and conditions of projects costing \$40 million or more.

We are trying to see how to deal with the federal program and to get back to the municipalities with projects that are along the lines of what you were saying about the city of Lévis.

I do not know whether that answers your question, but we are concerned about this situation.

Mr. Jacques Gourde: In your forum, do you foresee partnerships with federal, provincial and municipal governments or with school boards as private or other partners? Is there an ideal situation or do you have to adjust to each of them?

Mr. Roger Légaré: Each one is an individual case that must be evaluated based on transparency, competition and the need for maximum return on the money we invest. I gave your clerk a notebook outlining the method for quickly evaluating what is compatible with a project carried out under a public-private partnership. We give you those kinds of details in a quarter of a page.

I think it would be premature to say that there is only one way to proceed in order to get there. We believe that every case should be considered separately. Carrying out a project as part of a P3 does not make it better. However, if the project has to get done, we do it.

Ms. Johanne Mullen: And the evaluation of the implementation method has to be adapted to the specific characteristics of each project.

Mr. Jacques Gourde: In communities of 5,000 inhabitants or less, do non-profit organizations seem more effective or better suited to this small project model?

Ms. Johanne Mullen: That depends on the level of risk transfer we want to accept. In the case of an NPO, where the public and private sectors are investors, the public portion is exposed to certain risks. Ultimately, the question is really whether, for a particular project or asset, the model seems to enable us as investors to manage our risks and the contractual parameters with our private partner. It has been clearly shown that this arrangement worked well in smaller projects in small communities.

• (0945)

Mr. Roger Légaré: I would add that there is some concern among the public—and we sense this—about the possibility that major contractors, major engineering firms, may line their pockets, thus benefiting their own businesses, but to the detriment of the taxpayers. On the other hand, as you mentioned, an NPO from a smaller community consists of workers from the community, volunteers, people who really want to resolve situations in order to meet specific needs they are facing.

In terms of public opinion, I believe that, in modest projects, NPOs are an option that is a very good response to taxpayers' concerns.

[English]

The Vice-Chair (Mr. Mike Wallace (Burlington, CPC)): Next is Dr. McCallum. I haven't heard him called Dr. McCallum before.

Hon. John McCallum (Markham—Unionville, Lib.): I haven't been called that since many years ago. Thank you to the witnesses for being here.

In the course of our examination of this subject, I think one of the biggest issues is a certain opaqueness in the studies on value for money and the lack of public information. We've been told that summaries of this analysis are available, but they don't really get into the meat of it. One witness told us that in Ontario they'd automatically have a 49% risk premium, and there's no justification or explanation for why that is the appropriate number.

[Translation]

My first question is for Mr. Légaré or Ms. Mullen.

What is being done in Quebec? Is there a risk premium, as is the case in Ontario? If so, is there a public analysis justifying that kind of figure?

[English]

Ms. Johanne Mullen: If we look at the methodology that's used in Quebec, we see that there is no standard risk premium. The approach, which is one that is used in other jurisdictions as well, is to undertake a detailed risk analysis for the specific project.

What do we mean by that? We hold risk workshops. We're talking about bringing together around a table sometimes 10 or 15 or more people who are experts, including representatives from the public sponsor, representatives from Infrastructure Quebec, and representatives who speak from the engineering and construction side and who are independent to the project and may have been hired by the public sponsor to assist.

We develop a detailed risk matrix that looks at the risks throughout every phase of the project, from pre-development, design, and construction to maintenance and operations. We go through those risks to identify them, quantify them, and assign probabilities for each of the

[Translation]

implementation methods.

[English]

We do that for each of the procurement approaches that could be used for the project—conventional or construction management, or DBF, DB, or DBFM—depending on the number that have been shortlisted. Those workshops can take one to three days, depending on the complexity of the project. I know, for example, that for the Turcot Interchange, which is a \$2-billion capital project that will be done as a design-build, the workshops lasted a week.

Hon. John McCallum: Okay. Let me give you an example. For the construction phase, let's say, the construction risk, how would you calculate a risk premium for that?

Ms. Johanne Mullen: For example, during the construction phase, we might have 20 or 30 risks, each broken down and evaluated in order to put a dollar amount and a probability on it. Once we've done that work, it's all run through a Monte Carlo.... I

don't mean to sound really technical. I mean that it's run through a simulation that produces a distribution of the probabilities. So you're aware of the methodology, we're not plugging in a number.... It's specific to each project.

Hon. John McCallum: I guess my concern.... I'm not opposed to PPPs, but I do think we're talking about taxpayers' money, a lot of it. One gets the impression that some number like 49% or whatever is just plucked out of the air; that's a whole lot of money. In your case, it sounds way more complicated and possibly more accurate, but is there any access by the public to the calculations underlying this value-for-money analysis?

• (0950)

Ms. Johanne Mullen: On the value-for-money analyses per se, the summaries are provided publicly. I can't speak for every jurisdiction. I don't think the risk matrices per se are publicly available.

Hon. John McCallum: So we don't know what we're getting, really: if it's not publicly available and it's many hundreds of millions of dollars, where does that leave the public in terms of accountability or transparency, and in terms of the expenditure of taxpayers' money?

Ms. Johanne Mullen: I guess the question then becomes what other controls are involved in that process. We started off by saying that we have several people at the table participating in these risk analyses. The business case per se, including the risk analysis, goes up through—if we look at the approval process and I can speak to Quebec—Infrastructure Quebec, Treasury, and eventually cabinet. The full business case is a tool that's used in making the decision on how we want to procure.

Hon. John McCallum: Perhaps I could ask Professor Lee if he has some comments on this.

Prof. Ian Lee: I'll be very quick. I want to address both the macro and micro, because I understand where you're going. I just want to reference the book that so influenced former President Clinton, *Reinventing Government*, which states that the role of government is to steer, not to row.

To get right down to the micro level, and to follow up on what Ms. Mullen was saying, there are a lot of examples where government is dealing with confidential commercial issues, such as EDC. If they testify before your committee, I presume you can go in camera and have it confidential, so you could still require that it be disclosed to the public regulators. You're the referee of the hockey game, but I just don't think you should be telling Sidney Crosby when to shoot the puck, to use another metaphor. In other words, you can have this disclosed, but it just won't be disclosed to the general public. You are the agents on behalf of the public, and then you can do the due diligence on those risk analyses to see if they were legitimate or not.

The Vice-Chair (Mr. Mike Wallace): Thank you, Professor.

I wish Sidney Crosby were shooting the puck.

The next questioner is Bernard Trottier.

[Translation]

Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC): Thank you, Mr. Chair. Thanks to our guests from Quebec.

I would like to talk to you about large engineering, supply and construction businesses in Canada. In fact, Canada is a country of builders. These are major skills, and we have them. I believe in SNC-Lavalin, for example, which is based in Quebec, but which meets challenges from competition around the world in carrying out projects.

Do these Canadian and Quebec businesses export those skills that have been developed through the P3 model elsewhere in the world? Does this way of operating give Canada a competitive advantage?

Ms. Johanne Mullen: Your question is very interesting because Canada is now recognized as a leading country in the area of P3s and infrastructure development. We are now seeing Canadian businesses, including SNC-Lavalin, Fengate and other builders in Canada, bidding on infrastructure projects in Chile, Mexico and elsewhere in the Americas and around the world.

A lot of these businesses were exporters long before we engaged in P3s in Canada. However, other countries are now turning to us and adopting us as a model. So we are using our documentation and our process. This is true not only for builders and engineers, but also for law firms, which now export their services as well. There are also firms of financial consultants, accountants and so on.

This is increasingly becoming an export area for our country.

[English]

Mr. Bernard Trottier: Perhaps, Mr. Theodoropoulos, you could comment on that too, just in terms of the financial sector. There are companies like Borealis Capital and your company that get involved in P3 projects in other parts of the world.

To what extent is Fengate participating in taking this expertise to other countries and making this a real competitive advantage for Canadian enterprise?

Mr. George Theodoropoulos: It's interesting. We were recently involved in a project in Chile. Scotiabank introduced us to the opportunity. We teamed up with EllisDon, one of Canada's largest vertical builders. We also brought in Export Development Canada. We also brought in the Ontario Pension Board pension plan. We all went down to Chile as a team to pursue a P3, and we integrated into the local market with a local contractor. We have international aspirations to do more of that.

We lost that bid. Guess who won? SNC-Lavalin won that bid, so now you can see that two Canadian companies are competing for a hospital PPP project in Chile. The exporting is happening as we speak, and that's a great example. This happened just two weeks ago when the bidder was announced.

We are doing more and more of that. We are now in the process of aggregating Canadian pension plans to pursue PPPs in the United States and Chile and in western Europe, in certain markets that we think are deemed safe enough for Canadian pension plans to enter.

● (0955)

Mr. Bernard Trottier: Is it competition that we have in Canada that forces Canadian companies to sharpen their pencils and hone their skills, which makes them more competitive in going after these contracts around the world?

Mr. George Theodoropoulos: Yes.

I want to go back to the earlier question on the value for money. Ultimately, there is competition for every single PPP procurement in Canada. There are typically three bidders and sometimes more. Basically, in this competition you evolve to become competitive or ultimately you die. They are very expensive processes to bid on. We take that knowledge, those relationships that we create in Canada—because as you bid on projects, you have to create teams—and that mindset internationally to compete for projects in places like the U. S., Chile, and western Europe.

Mr. Bernard Trottier: My last question has to do with pension funds. You mentioned that you do a lot of work on behalf of the pension funds, and of course that's important for everybody when they think about saving for their retirement. What makes P3 investments so attractive for pension funds?

Mr. George Theodoropoulos: They're safe in the sense that on the other end of the contract you have government paying the bills, so you have some revenue certainty. Now, there is risk associated with that. You have to make sure that your builder is competent. You have to make sure that your operator is competent. But on the whole, pension funds like it because there are also very long concession agreements. The pension plans are seeking places to invest their capital for long periods of time because their liabilities are also of a long duration. In addition, the risk-adjusted return is attractive for them.

Mr. Bernard Trottier: Thank you very much.

The Chair: That's about it for your time, Bernard. Thank you very much.

That concludes our first round of questioning.

If I might just ask one question, what we've heard from testimony is that it's about the transfer of risk and that there is a cost built into that. We heard some witnesses say the cost was about 16%. Others said it was as high as 48%.

As a financial money manager and venture capitalist who is funding some of these projects, what kind of costs are you putting onto risk, as a rule of thumb?

Mr. George Theodoropoulos: There are three components to every project from the private sector. First, there is the construction component: the builder produces a price to build the asset and he prices for risk. That risk price would be there even if it weren't a PPP. If the government hired a builder, the builder would price for risk. Second, there is a maintenance contract for 30 years. That's a fixed-price maintenance contract and the maintenance company will price for risk. Third, there is the capital, the cost of capital. This is what gives rise to most of the debate.

Our cost of capital—the concessionaire's cost—for a typical PPP in Canada is about 6%. However, the cost of capital for government is far lower than 6%. I'm talking about 6% over 30 years—30-year capital. The cost of capital for government is less than 6%. It's probably closer to 4%, so there is a 2% premium in the cost of capital.

The question is, what is government receiving for that 2% premium? Are they getting value for money? This is the subjectivity of the debate, and it is subjective—it's a tough question. We can sit there and do all this analysis and risk-adjusted projections, but at the end of the day, there is a lot of subjectivity and it's a difficult question. This is what government grapples with: is it value for money for that 2%?

The Chair: That's exactly why I wanted you to flesh it out. Thank you for those specifics. That's very helpful. We should note, though, that the Canada Pension Plan used to lend money to municipalities, etc., at a nice low rate, too—like 2%—as a safe investment for our CPP.

But it's not my job to question witnesses, so we'll go to the NDP.

We'll thank Ms. Mullen for her time with us today. She has to run off to do some other business here in Ottawa, but she will leave her colleague to represent her.

Thank you very much for your testimony, Ms. Mullen.

Next, then, for the NDP, we have Christine Moore.

•(1000)

[Translation]

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Thank you very much, Mr. Chair.

My questions will mainly be for Mr. Lee.

My question may be theoretical, but I would like to know whether P3s can be implemented in rural areas and small municipalities. In my riding, several municipalities, which in some cases do not even have 1,000 inhabitants, have infrastructure deficits. In what conditions can P3s be effective in small municipalities? Are we looking for the same type of partners as for the biggest projects or is the profile different? Do these communities subsequently have the capacity to manage the contracts efficiently given their limited government resources?

[English]

Prof. Ian Lee: That's an excellent question. I'm going to answer it indirectly. Well, first off, I'll answer it very directly: I don't know.

The case studies in the peer-reviewed literature are typically of much larger P3s: \$100 million, \$500 million, and a billion and up. To respond to an earlier question, while we're dealing with this, most of the failures in P3s were in the so-called first wave of P3s in the 1980s and 1990s. In the so-called second wave that has occurred since then, the success rate has been much higher.

To come back to your question, all of the P3s I've looked at—and I will certainly defer to the two colleagues here—were much larger capital amounts. They typically attract very large companies, as the speaker from Toronto is suggesting. I can't even recall a P3 for small amounts of money in a small rural municipality.

[Translation]

Ms. Christine Moore: Do you think P3s are a solution for small municipalities when projects are of smaller scope? Are they too complex for the scope of the project?

Mr. Roger Légaré: In light of what has happened in Lévis, for example, which I referred to a little earlier, there is a respectable amount of flexibility for the smallest projects. Our institute predicts that, in the coming years, there will be a lot fewer big projects and more smaller projects. We have to know how to reassure the municipalities in order to meet their needs. There will be a better partnership between the federal government and provincial governments. Funding is available for that, but as it is complicated to prepare supporting documents for a public-private partnership, those people will have to be supported.

I believe that Claude Dauphin, of the Federation of Canadian Municipalities, and Éric Forest, of the Union des municipalités du Québec, are mainly concerned with the assistance that the municipalities must receive in order to deal with that. There is a lot of room here because there are enormous needs. Once again, I am warning people: this is not the solution to all situations or the risks that should be taken in all municipalities. This does not meet all needs.

Ms. Christine Moore: Given the limited managerial resources in a municipality of not even 1,000 inhabitants, this is not currently be an option that would seem reasonable to you since management resources are not available. Is that correct?

Mr. Roger Légaré: Not necessarily. I have just come back from Europe, where we had a meeting on public-private partnership projects for French-speaking parliamentarians. We said that we should group together by region when we want to provide services such as arenas, water controls or infrastructure projects. A small municipality of 1,000 inhabitants will no longer be able to work in isolation thinking that it can meet all the needs of its entire population with projects that will be extremely costly. Projects must really be grouped together so that they are cost-effective for everyone.

•(1005)

Ms. Christine Moore: What partner profile would we be looking for in the case of small municipalities?

Mr. Roger Légaré: It will be the same profile as for large municipalities. You need the necessary expertise for the project you want to start up. In Contrecoeur, for example, if we plan to establish a centre like the Quartier DIX30 in the Montreal area to provide services to the surrounding population, we will definitely choose a project that is like the Quartier DIX30, a public-private partnership project.

Ms. Christine Moore: That is fine.

[English]

The Chair: Thank you, Christine. I'm afraid your time has expired.

If you are interested, there is an interesting catalogue of recent P3s. It's only available in one official language and therefore we can't circulate it, but you're welcome to pick it up. It's produced by the institute, and it has examples of small, medium and large P3s in various communities.

For the Conservatives, Mr. Peter Braid.

Mr. Peter Braid (Kitchener—Waterloo, CPC): Thank you very much, Mr. Chair.

Thank you to the witnesses for being here today.

Let me begin with Professor Lee.

Professor, I certainly appreciated your analysis this morning on our P3 study. I would like to add that I appreciate and value your analysis on many topics.

You mentioned the Ottawa example. I don't want to have you elaborate on that, but on the flip side, you explain that there is a case for P3s because of the infrastructure deficit and because of the value that private sector management principles bring to this process. My question is, do you think there should be more P3s? If so, in what circumstances, and how can they be more effectively managed and administered?

Prof. Ian Lee: Thank you.

I know you don't want me to go into Lansdowne, and I won't get into the details. I'm not going to name names or that sort of thing, but my generic criticism was simply that there were too many moving parts. There were too many different businesses in the package, with different business risk horizons and different demands. There was a parking garage. There was a rink, a football stadium, and a shopping centre, and they were trying to put it all into one P3.

I'm trying to now answer your question. I'm referring to the Vining and Boardman studies on this. The most successful P3s are what I would call, for want of a better term, "single object". There aren't multiple businesses in the one P3. It's a hospital, or it's a CSIS building, or it's a bridge to P.E.I. It doesn't involve a hotel sitting on the bridge, with a hockey arena.

What I'm getting at is, the more complex they are, in the sense of multiple businesses or strategic business units in the P3, the more cumbersome, the more difficult to manage, and more likely to fail they are.

To answer your question even more concretely: it seems that the most successful ones are those where the object is very clear—a highway, an airport building, a bridge, a hospital. First off, we've had a lot of experience in building these things in the past, so the risks are easier to evaluate and estimate. Of course, the private sector has had enormous experience in years and years of building these.

The role of government is to do a lot of due diligence up front with the private sector, to specify those risks, and to try to anticipate the unforeseen problems. We are going to need to have more P3s to address the infrastructure deficit, because as the population ages and there are these greater pressures on budgets, which you know about, there is going to be this need to find innovative ways to finance and address it.

Parallel to that, I hope that we move towards more tolls, where it's possible or feasible to have toll roads, toll highways, and user-pay policies on those infrastructural assets that are—quote—private goods; that is to say, they're divisible and you can exclude people from using them if they don't pay the toll.

Mr. Peter Braid: Thank you.

This question isn't about P3s, per se, but I'm interested in hearing your answer. It's certainly relevant to your presentation. You explain that there are some concerns—inherent flaws, if you will—with traditional infrastructure projects. For those traditional infrastructure projects, how can government, politicians, and public servants better deal with and manage those?

•(1010)

Prof. Ian Lee: Are you referring to traditional procurement where the government owns the building?

Mr. Peter Braid: Yes.

Prof. Ian Lee: I'm glad you asked that, because there is a trend that is occurring. Some of you may be aware of this trend in the private sector, where firms are selling... For example, Scotiabank is selling their head office, and the Royal Bank is selling their head office, because they've realized that they're not in the property management business. They've sold the buildings and received a one-time capital gain. Then they rent or sign long-term leases with the developer or property manager for that building.

It suggests to me that if the private sector is doing it, it's because there's an efficiency there. There is a logic to it. It suggests, therefore, that government should be looking more closely at getting out of the property management business and at signing long-term leases with people who are expert at creating buildings: designing them, building them, and managing them. Then, at least with buildings, you've dealt with the maintenance problem, because the private company will maintain the asset. For that matter, bridges can be dealt with in that mode too. Bridges can be—theoretically—privatized. There are private bridges in this country. I believe there's one across the river to Detroit.

Again, it comes back to the proper role of government in steering versus rowing. There is an extremely important role for government as the referee of the hockey game, which is the metaphor I like to use all the time. That's a very important role. Regulating the banks, regulating whatever capital markets...but that doesn't mean the government should be in there playing on one of the hockey teams or telling the hockey players when, where, why, and how to score hockey goals.

The Chair: Thank you. Your time has expired.

Mr. Peter Braid: I want to thank Professor Lee for all his great Canadian hockey metaphors.

Prof. Ian Lee: I'm in withdrawal right now. There's no hockey.

Mr. Peter Braid: As many of us are....

The Chair: Very good.

Jean-François, go ahead.

[Translation]

Mr. Jean-François Larose: Thank you for your answer, Mr. Légaré. I am pleased to know that your institution is considering other options. That is refreshing, as regards the relationship with NPOs.

My next question is in that area. Last time, we heard testimony about a highway in British Columbia. Previously, under conventional contracts, there were 100 inspectors, and now there are roughly 10 with P3s, but they at least do ad hoc checks. That is reassuring.

A little earlier, we talked about an NPO that played a specific role in management because there was less risk-related involvement. The project was also much smaller. So that was feasible. Millions of dollars are involved in conventional P3s. One of the current problems lies in citizens' perceptions, and they are important for us. In reality, transparency is important. Would there be a way of adding a partnership with cooperatives or NPOs that would have the role of checking, monitoring and consulting, that would have a much more active role? That would open the door to citizens being present when P3s are deployed over a number of years.

My question is for you, Mr. Légaré, but also for all the witnesses here today.

Mr. Roger Légaré: If we look at the legislation put in place for Quebec's Agence des partenariats public-privé and Infrastructure Québec, we see that restrictions have been placed on the project implementation method. Those restrictions include the obligation to know who the partners will be, when they will have to play a role and who will ensure the short- or medium-term monitoring of what we call the efficiency, performance or service delivery method to determine whether or not we pay. Ultimately, if we say that we are going to provide a service and it is not provided, the government can say that it will not pay because the services agreed upon have not been rendered.

To check this, public perception is not only important, it is of capital importance. We are talking about taxpayers. That is why I said that we had asked the public how it appreciated projects it knew had been carried out through P3s. The report sent to us by Léger Marketing states that 70% of the population was in favour of P3 projects for infrastructure or buildings. We are very pleased about that.

Mr. Jean-François Larose: You are not answering my question.

You say we have the same opinion about the importance of citizen oversight. However, my question was quite clear.

Could we add another P to the P3s for the NPO or cooperative sectors? Their charters motivate them to be involved. That is the way it is for you. Under your charter, your own motivation is to be there and important. That is why you promote P3s. I think there could be a more permanent place within P3s. Is that correct?

•(1015)

Mr. Roger Légaré: I entirely agree.

[English]

Mr. Jean-François Larose: Mr. Lee, do you have any comments about this? I did read about some of the problems that you had with the City of Ottawa, so I was wondering if you had any comments.

Prof. Ian Lee: Was your question meaning can we involve NGOs in P3s...? Is that your question?

Mr. Jean-François Larose: We're talking about oversight, so it's to have permanent oversight... In the Ottawa situation, the perception of the people was that there was no actual consultation.

Prof. Ian Lee: That's right.

Mr. Jean-François Larose: I wasn't there, but I think having a non-profit organization that would be permanently part of the PPP would be an interesting avenue. I'm just wondering if you have any comments.

Prof. Ian Lee: Quite frankly, I hadn't thought of that. There needs to be ongoing oversight, yes, because the government is the partner in the P3. That's going forward on what I said to Mr. McCallum: there has to be transparency. It doesn't have to be made public to the world, but it certainly should be made public to the regulators.

I'm not sure—I haven't thought that through—whether you need some kind of a regulatory body for P3s analogous to the OSFI. As a former banker, I'm a very strong believer in the Superintendent of Financial Institutions. They've struck the right balance between excessive interference and too little interference. In the United States, they had too little regulation. I'm being very frank with you: I hadn't thought that through.

Without getting into the names or the details, the problem in the Ottawa deal was that there was not enough transparency, even inside. Secondly, I don't think the elected officials, many of them, really had a full understanding of what was going on. That again calls into question whether or not the technical expertise exists on the government side, so maybe it would be a specialized committee of Parliament at the federal level or maybe some kind of a regulatory body analogous to OSFI.

[Translation]

Mr. Jean-François Larose: Do I have a little time left?

[English]

The Chair: I'm afraid your time is up now, Jean-François. Thank you very much.

We'll have Mike Wallace.

Mr. Mike Wallace: Thank you, Mr. Chair.

I want to thank our guests for joining us today.

I have just a few questions.

I'm going to start with you. Can we call you George?

Mr. George Theodoropoulos: Yes, sir, no problem.

Mr. Mike Wallace: You can call me Mike.

The funds you use or represent are pension funds. They're public sector pension funds and private sector pension funds. Is that correct? For example, is OMERS one of your customers?

Could you give us a list of your customers or your suppliers again?

Mr. George Theodoropoulos: You can divide the pension funds in Canada many ways. One way to divide them is by what I call the super-sovereign pension plans. They are, going from west to east, bcIMC, AIMCo, OMERS, Ontario Teachers', CDPQ, and CPP. These are pension plans that have \$50 billion and up under management. These pension plans are famous around the world for investing in infrastructure, by the way—world famous. They're direct investors.

We do not manage any money. They have their own staff of people like me. They employ them. They manage a lot of money, so they can afford the staff.

We target pension plans with under \$20 billion under management. These are universities, corporate pension plans, and trade union pension plans. There are many of them. There are 200 or 300 pension plans. We take those pension fund investors and get them into infrastructure and a few PPP projects. We aggregate them to allow them to get into these projects.

Mr. Mike Wallace: For my second question, now that I have a clearer understanding, I'm going to focus on the trade union pension plans.

We have heard from some that unions aren't happy with P3s, because there is some sort of perceived risk that affects employment. In actual fact, their pension plans do invest.... You're encouraging them to invest in infrastructure through a P3 process through mechanisms you provide them. Have you heard back from the trade unions directly that they're concerned about P3s?

• (1020)

Mr. George Theodoropoulos: In the world of unions, there are two categories of unions. There are unions that work for the public sector and there are unions that work for the private sector.

We manage capital for unions that work for the private sector. These are trade unions that literally work with builders. They're very pro-PPP. They want to build things, and they're happy to invest capital in things. They feel that they understand construction risk. They feel that they understand infrastructure risk—or at least they're comfortable with it. The public sector unions, on the other hand, have been vocal, many of them, without naming names, against PPPs.

I'm a layperson when it comes to unions. From my perspective, it's simple. When government outsources a piece of infrastructure to be built and operated, the operations are really the primary aspect of the objection to PPPs. When government outsources the operations of a public sector asset, those unions may now have to work for the private sector. Generally, public sector unions do not like working for the private sector. They like working for the public sector. Let's not get into why and why not, but that is the general objection.

Mr. Mike Wallace: Thank you very much.

Dr. Lee, I have two questions for you.

We've had other economists here who were independent in the sense that they work for think tanks. One of them categorized P3s as being cheaper, faster, or better, and you can pick two: do you agree with that comment?

Prof. Ian Lee: Yes, I do. He's a co-author, with Vining and Boardman, of the article "Public-Private Partnerships in the U.S. and Canada: "There Are No Free Lunches".

Mr. Mike Wallace: That leads me right into my second question. Have the articles and the literature you're reviewing that are peer-reviewed been sponsored by certain organizations or would you consider them academically independent?

Prof. Ian Lee: I believe that they're academically independent. I've read these articles, every one of them. I'm talking about the articles published in *Canadian Public Administration*. I myself have published in the journal *Canadian Public Administration*. Some of them are SSHRC funded, which is, of course, the Government of Canada. SSHRC is the government granting agency that distributes grants to scholars.

I don't believe they've been funded by construction companies. To my knowledge, they haven't. I certainly see no evidence of that. In fact, the articles I'm reading, that I've read, and that I'm referring to have very good, very rigorous methodology. They have been peer-reviewed. I'm certainly aware of the peer-review process with CPA and CPP, *Canadian Public Policy*. I don't have any doubts concerning their intellectual bona fides.

Mr. Mike Wallace: We had another professor here from another university; on the bottom of their documentation it has CUPE.... It looks like the Canadian Union of Public Employees has paid for the research. I just want to be clear.

Prof. Ian Lee: I've read their material. It's not peer reviewed. They have an agenda. Fair enough—there's nothing wrong with that, but it's not peer-reviewed literature. In fact I met some of the CUPE people because we were involved in the Lansdowne dispute. It was quite interesting—I felt uncomfortable.

Mr. Mike Wallace: Okay. Thank you very much.

The Chair: Thank you, Mike.

Next we have John McCallum.

Hon. John McCallum: Thank you.

My question is for Mr. Theodoropoulos.

You were talking about the three aspects of risk: construction, maintenance, and the cost of capital. You talked about the construction and the maintenance phase as being valued on a risk-adjusted basis. Can you explain how that is done? How do you figure out the risk premium?

Mr. George Theodoropoulos: I must admit that it's not really an area of my expertise. I really get involved in the P3s when government has decided to take the path of P3. That question is best suited for the consultants who help government make its decisions. I think Ms. Mullen is one of them. I know that she does that type of work.

I just don't have the answer. I could try to answer it but it wouldn't be very helpful.

Hon. John McCallum: I wonder if Professor Lee has an answer. I keep coming back to this because it seems to be a struggle between, on the one hand, the cost of capital being higher for the private sector, which is a negative, but on the other hand, if you can jack these risk premiums up high enough, you counterbalance that. I am concerned with the logic by which these risk premiums are calculated.

• (1025)

Prof. Ian Lee: I too am going to duck. I'm not a finance professor. This is the domain of finance professors as opposed to economists. I don't mean to put down economists, who are very good, but finance professors literally do teach and study the whole issue of the cost of capital.

It's a very complex area, and I do agree with Ms. Mullen, who said that it varies on a project-by-project basis because the risk varies on a project-by-project basis. But I can't tell you the mechanics of the finance algorithms that are used to measure or evaluate the cost of capital in a particular project.

Hon. John McCallum: Well, maybe I'll change the subject.

You come from Ottawa. There is a certain amount of expertise required by people doing P3s. Do you think that the expertise is sufficient in the various departments of the federal government, that it exists...? If not, what can be done?

Prof. Ian Lee: I want to be very careful in answering your question. I have lived in Ottawa all my life and I know many people in the public service. I think you have one of the finest public services in the world, meaning that it is honest. It's probably the least corrupt of any country, and I've travelled to many, many developing countries as well as western countries.

I'm not sure that the expertise is in Public Works and Government Services. There has been a lot of debate over the last few years—I've talked to people both in government and in the private sector—about the depth of talent in government works. The new P3 agency looks like it is developing. From what I understand, it is developing some very strong competencies in P3, but I'm not so sure that those competencies exist to that degree in Public Works.

Hon. John McCallum: So that means you think that the new P3 agency is a good idea to compensate for lack of expertise elsewhere...?

Prof. Ian Lee: I think they are developing the expertise in an area where we didn't have that knowledge before. One of the reasons—and this came out in the research literature—that we had so many failures in that first round in the 1990s was that people didn't know what they were doing. They were literally creating the rules as they went along, and creating the knowledge and the competencies, and now it is being systematized in this agency at the federal level to

provide help to provinces and municipalities. I think that's a good thing.

Hon. John McCallum: Thank you.

The Chair: Thank you John.

We have time for the one last round, which will be perfect. It finishes our second round.

We now have Kelly Block, please.

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Thank you very much, Mr. Chair.

I would also like to thank our guests for being here today. I am really enjoying this study. I think it should come as no surprise that a lot of the testimony is very consistent with what you've presented here today, and I find that encouraging and reassuring as we continue with our study.

I'm a member who represents both a fairly significant urban area as well as a rural area. In the rural area, I have 23 small communities. The interest in the P3 model is growing, and the infrastructure issues and the ability to address them are definitely relative when you compare a small community with a large one.

I want to ask if you've done any work in looking at how to reduce the administrative costs of P3s so that smaller communities or municipalities can take advantage of this tool. We've heard about bundling projects, but have you looked at whether or not there is an ability for regions to come together to consider projects and take advantage of the P3 model?

Either of you can answer that.

Prof. Ian Lee: I'll go quickly, because I think Mr. Légaré will have a much more extended answer.

It's growing, but I want to echo everyone else: it doesn't solve everything. P3s are good for maybe 15% to 20% of procurement, which means that about 80% or more is not appropriate for a P3. That takes a lot of procurement off the table. It's only a small part—maybe a fifth. That's the first point.

Secondly, it's more and more urgent because of declining economic growth and the looming infrastructure deficit that I see, living in a large city, and it troubles me a great deal. At the same time, of course, we don't want governments to become much more deeply indebted.

Third, because it is very complex, it does require a lot of transaction costs or due diligence up front, so smaller organizations probably don't have the expertise. That's why I see the importance of this new institution at the federal level in developing to become a repository, almost a government think tank, if you will, on P3 best practices, so they can advise and consult with agencies across the country.

In terms of the bundling, I'll defer to Mr. Légaré.

•(1030)

Mr. Roger Légaré: I've just finished travelling in the most important cities in the Province of Quebec. The concern was exactly what you're expressing: that the cost of preparing for P3s is quite expensive. Therefore, they're trying to find a means for us to develop a mattress of sorts, where they could say, "Okay, for a project of such-and-such a nature, this is what we have to do, and we'll have to simplify, and at the end of the day we'll be able to benefit and profit from a government investing in our project." We actually... I'll go at it in French to make sure that I don't make any mistakes.

[*Translation*]

We are asking municipalities to consider one thing. It is not because they can get more money from the provincial or federal government that there is any justification for incurring the expenditure for a project that may not be good for their community.

However, if all municipalities want the same thing as their neighbours, their leaders will often think that, if hold out their hand, they will get money that will enable them to do something else.

We at the institute do not advocate that. We work with the Federation of Canadian Municipalities. With Infrastructure Québec, we try to find a way to simplify operational models and to present municipalities with ways of proceeding that will save them money on costs in preparing their projects.

I hope that answers your question. That is how we currently work at the institute.

[*English*]

Mrs. Kelly Block: Do I still have any time?

The Chair: You've one minute left.

Mrs. Kelly Block: I appreciate your comment, Professor Lee, when it comes to the fact that the P3 model doesn't necessarily work for all projects, and that it truly is limited to about 20%, but that benchmark is quite high when it comes to a project that's perhaps around \$50 million or more. I guess that is why I look at opportunities for smaller communities to try to look for ways of using this model.

In particular, I want to pick up on something that Ms. Mullen stated in her comments about the accountabilities for both the private and the public sector when it comes to the P3 model, first for the private sector at the front end when they're looking at being innovative and building into the infrastructure, all the good things they have access to for the longevity of whatever it is they're building, as well as government, the public sector, because, as has been stated, oftentimes the maintenance on something is deferred, and this basically says that you will not be able to abandon something in favour of something else, that you have locked yourself in.

I think it's important for all levels of government, large and small, to have access to that opportunity. I don't know if you want to talk a little more about the—

The Chair: I'm afraid, Kelly, that there won't be time for that. You used your last minute as a comment more than a question.

Professor Lee.

Prof. Ian Lee: I would say that you may want to look at audit. Auditors are becoming more and more sophisticated. I have very high confidence in the audit capacity of the Deloitte and the KPMGs to provide meaningful audits of this kind.

The Chair: That's helpful. Thank you for your insight.

That concludes the time we have set aside for today.

We want to thank all three of our witnesses, especially Mr. Theodoropoulos for patiently waiting for us and linking up all the way from Toronto. Those were very helpful contributions that you made, sir.

Professor Lee, thank you for being here.

Monsieur Légaré, thank you very much for the testimony from the institute.

We're going to suspend the meeting for just one minute and then reconvene in camera for a little bit of planning.

[*Proceedings continue in camera*]

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:
Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5

*En cas de non-livraison,
retourner cette COUVERTURE SEULEMENT à :*
Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Additional copies may be obtained from: Publishing and
Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5
Telephone: 613-941-5995 or 1-800-635-7943
Fax: 613-954-5779 or 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
http://publications.gc.ca

Also available on the Parliament of Canada Web Site at the
following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

On peut obtenir des copies supplémentaires en écrivant à : Les
Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5
Téléphone : 613-941-5995 ou 1-800-635-7943
Télécopieur : 613-954-5779 ou 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
http://publications.gc.ca

Aussi disponible sur le site Web du Parlement du Canada à
l'adresse suivante : <http://www.parl.gc.ca>